

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1138 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 gaming and to make an appropriation.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 4-31-2-10.5 IS ADDED TO THE INDIANA
- 7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 8 [EFFECTIVE JULY 1, 2005]: **Sec. 10.5. "Live racing day" means a**
- 9 **day on which at least eight (8) live horse races are conducted.**
- 10 SECTION 2. IC 4-31-2-20.7 IS ADDED TO THE INDIANA
- 11 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 12 [EFFECTIVE JULY 1, 2005]: **Sec. 20.7. "Slot machine" has the**
- 13 **meaning set forth in IC 4-35-2-9.**
- 14 SECTION 3. IC 4-31-4-2 IS AMENDED TO READ AS
- 15 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A county fiscal
- 16 body may adopt an ordinance permitting the filing of applications under
- 17 IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks
- 18 in the county. However, before adopting the ordinance, the county
- 19 fiscal body must:
- 20 (1) conduct a public hearing on the proposed ordinance; and
- 21 (2) publish notice of the public hearing in the manner prescribed
- 22 by IC 5-3-1.
- 23 (b) The county fiscal body may:
- 24 (1) require in the ordinance adopted by the county fiscal body that
- 25 before applications under IC 4-31-5 to conduct pari-mutuel

wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter; or (2) amend an ordinance already adopted by the county fiscal body to require that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who has already been issued a permit under IC 4-31-5 before amendment of the ordinance.

(c) An ordinance adopted under this section authorizing a person to conduct pari-mutuel wagering on horse races at racetracks in the county may not be adopted or amended in a manner that restricts a person's ability to conduct gambling games under IC 4-35. An ordinance adopted by the county fiscal body permitting slot machines in the county is not a prerequisite for the lawful operation of slot machines under IC 4-35.

SECTION 4. IC 4-31-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) The commission shall determine the dates ~~and the number~~ of racing days authorized under each recognized meeting permit. Except for racing at winterized tracks, a recognized meeting may not be conducted after December 10 of a calendar year.

(b) The commission shall require at least one hundred sixty (160) live racing days per calendar year at the racetrack designated in a permit holder's permit as follows:

(1) One hundred (100) live racing days must be for standardbreds.

(2) Sixty (60) live racing days must be for horses mounted by jockeys run over a course without jumps or obstacles.

The requirements of this subsection are a continuing condition for maintaining the permit holder's permit. However, the requirements do not apply if the commission determines that the permit holder is prevented from conducting live horse racing as a result of a natural disaster or other event over which the permit holder has no control.

SECTION 5. IC 4-31-5.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 3. (a) As used in this section, "live racing day" means a day on which at least eight (8) live horse races are conducted.

(b) The commission's authority to issue satellite facility licenses is subject to the following conditions:

(1) Except as provided in subsection (c), the commission may issue four (4) satellite facility licenses to each permit holder that:

(A) conducts at least one hundred twenty (120) live racing

1 days per year at the racetrack designated in the permit holder's
 2 permit; and

3 (B) meets the other requirements of this chapter and the rules
 4 adopted under this chapter.

5 If a permit holder that operates satellite facilities does not meet the
 6 required minimum number of live racing days, the permit holder
 7 may not operate the permit holder's satellite facilities during the
 8 following year. However, the requirement for one hundred twenty
 9 (120) live racing days does not apply if the commission
 10 determines that the permit holder is prevented from conducting
 11 live horse racing as a result of a natural disaster or other event
 12 over which the permit holder has no control. In addition, if the
 13 initial racing meeting conducted by a permit holder commences at
 14 such a time as to make it impractical to conduct one hundred
 15 twenty (120) live racing days during the permit holder's first year
 16 of operations, the commission may authorize the permit holder to
 17 conduct simulcast wagering during the first year of operations
 18 with fewer than one hundred twenty (120) live racing days.

19 (2) Each proposed satellite facility must be covered by a separate
 20 application. The timing for filing an initial application for a
 21 satellite facility license shall be established by the rules of the
 22 commission.

23 (3) A satellite facility must:

- 24 (A) have full dining service available;
- 25 (B) have multiple screens to enable each patron to view
- 26 simulcast races; and
- 27 (C) be designed to seat comfortably a minimum of four
- 28 hundred (400) persons.

29 (4) In determining whether a proposed satellite facility should be
 30 approved, the commission shall consider the following:

- 31 (A) The purposes and provisions of this chapter.
- 32 (B) The public interest.
- 33 (C) The impact of the proposed satellite facility on live racing.
- 34 (D) The impact of the proposed satellite facility on the local
- 35 community.
- 36 (E) The potential for job creation.
- 37 (F) The quality of the physical facilities and the services to be
- 38 provided at the proposed satellite facility.
- 39 (G) Any other factors that the commission considers important
- 40 or relevant to its decision.

41 (5) The commission may not issue a license for a satellite facility
 42 to be located in a county unless IC 4-31-4 has been satisfied.

43 **(c) After December 31, 2004, a permit holder may not submit an**
 44 **initial application for a license to operate an additional satellite**
 45 **facility under this chapter. After December 31, 2004, the**
 46 **commission may not issue an initial license for a new satellite**
 47 **facility. A satellite facility license issued before January 1, 2005,**

1 **may be renewed annually subject to the requirements of this**
 2 **chapter.**

3 SECTION 6. IC 4-31-7-1 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A person holding
 5 a permit to conduct a horse racing meeting or a license to operate a
 6 satellite facility may provide a place in the racing meeting grounds or
 7 enclosure or the satellite facility at which the person may conduct and
 8 supervise the pari-mutuel system of wagering by patrons of legal age
 9 on the horse races conducted or simulcast by the person. The person
 10 may not permit or use:

- 11 (1) another place other than that provided and designated by the
 12 person; or
- 13 (2) another method or system of betting or wagering.

14 **However, a permit holder licensed to conduct gambling games**
 15 **under IC 4-35 may permit wagering on slot machines at a**
 16 **racetrack as permitted by IC 4-35.**

17 (b) Except as provided in section 7 of this chapter and IC 4-31-5.5,
 18 the pari-mutuel system of wagering may not be conducted on any races
 19 except the races at the racetrack, grounds, or enclosure for which the
 20 person holds a permit.

21 SECTION 7. IC 4-31-7-2 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A person less
 23 than eighteen (18) years of age may not wager at a horse racing
 24 meeting.

25 (b) A person less than ~~seventeen (17)~~ **eighteen (18)** years of age
 26 may not enter the grandstand, clubhouse, or similar areas of a racetrack
 27 at which wagering is permitted unless accompanied by a person who is
 28 at least twenty-one (21) years of age.

29 (c) A person less than eighteen (18) years of age may not enter a
 30 satellite facility.

31 **(d) Except as provided by IC 4-35-7-2, a person less than**
 32 **twenty-one (21) years of age may not enter the part of a racetrack**
 33 **in which gambling games are conducted under IC 4-35.**

34 SECTION 8. IC 4-31-9-1 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. A person that holds
 36 a permit to conduct a horse racing meeting or a license to operate a
 37 satellite facility shall withhold:

- 38 (1) eighteen percent (18%) of the total of money wagered on each
 39 day at the racetrack or satellite facility (including money wagered
 40 on exotic wagering pools, **but excluding money wagered on slot**
 41 **machines under IC 4-35); plus**
- 42 (2) an additional three and one-half percent (3.5%) of the total of
 43 all money wagered on exotic wagering pools on each day at the
 44 racetrack or satellite facility.

45 SECTION 9. IC 4-33-2-17.5 IS ADDED TO THE INDIANA
 46 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 47 [EFFECTIVE JULY 1, 2005]: **Sec. 17.5. "Slot machine taxes" means**

1 **the state wagering tax imposed on gambling games conducted by**
 2 **a person holding a gambling games license issued under**
 3 **IC 4-35-5."**

4 Page 2, between lines 19 and 20, begin a new paragraph and insert:
 5 "SECTION 13. IC 4-33-4-2 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The commission
 7 shall adopt rules under IC 4-22-2 for the following purposes:

- 8 (1) Administering this article.
- 9 (2) Establishing the conditions under which riverboat gambling in
 10 Indiana may be conducted.
- 11 (3) Providing for the prevention of practices detrimental to the
 12 public interest and providing for the best interests of riverboat
 13 gambling.
- 14 (4) Establishing rules concerning inspection of riverboats and the
 15 review of the permits or licenses necessary to operate a riverboat.
- 16 (5) Imposing penalties for noncriminal violations of this article.
- 17 **(6) Establishing the conditions under which gambling games**
 18 **may be conducted under IC 4-35."**

19 Page 3, between lines 8 and 9, begin a new paragraph and insert:
 20 "SECTION 15. IC 4-33-12-6, AS AMENDED BY P.L.4-2005,
 21 SECTION 23, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) The department shall place
 23 in the state general fund the tax revenue collected under this chapter.

24 (b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7,
 25 the treasurer of state shall quarterly pay the following amounts:

- 26 (1) Except as provided in subsection (k), one dollar (\$1) of the
 27 admissions tax collected by the licensed owner for each person
 28 embarking on a gambling excursion during the quarter or admitted
 29 to a riverboat that has implemented flexible scheduling under
 30 IC 4-33-6-21 during the quarter shall be paid to:

31 (A) the city in which the riverboat is docked, if the city:

- 32 (i) is located in a county having a population of more than
 33 one hundred ten thousand (110,000) but less than one
 34 hundred fifteen thousand (115,000); or
- 35 (ii) is contiguous to the Ohio River and is the largest city in
 36 the county; and

37 (B) the county in which the riverboat is docked, if the riverboat
 38 is not docked in a city described in clause (A).

- 39 (2) Except as provided in subsection (k), one dollar (\$1) of the
 40 admissions tax collected by the licensed owner for each person:

- 41 (A) embarking on a gambling excursion during the quarter; or
- 42 (B) admitted to a riverboat during the quarter that has
 43 implemented flexible scheduling under IC 4-33-6-21;

44 shall be paid to the county in which the riverboat is docked. In the
 45 case of a county described in subdivision (1)(B), this one dollar
 46 (\$1) is in addition to the one dollar (\$1) received under
 47 subdivision (1)(B).

(3) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(5) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Except as provided in ~~subsection~~ **subsections (k) and (l)**, sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following amounts:

(1) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the

1 county in which the riverboat is docked. The county treasurer
 2 shall distribute the money received under this subdivision as
 3 follows:

4 (A) Twenty percent (20%) shall be quarterly distributed to the
 5 county treasurer of a county having a population of more than
 6 thirty-nine thousand six hundred (39,600) but less than forty
 7 thousand (40,000) for appropriation by the county fiscal body
 8 after receiving a recommendation from the county executive.
 9 The county fiscal body for the receiving county shall provide
 10 for the distribution of the money received under this clause to
 11 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 12 the county under a formula established by the county fiscal
 13 body after receiving a recommendation from the county
 14 executive.

15 (B) Twenty percent (20%) shall be quarterly distributed to the
 16 county treasurer of a county having a population of more than
 17 ten thousand seven hundred (10,700) but less than twelve
 18 thousand (12,000) for appropriation by the county fiscal body.
 19 The county fiscal body for the receiving county shall provide
 20 for the distribution of the money received under this clause to
 21 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 22 the county under a formula established by the county fiscal
 23 body after receiving a recommendation from the county
 24 executive.

25 (C) Sixty percent (60%) shall be retained by the county where
 26 the riverboat is docked for appropriation by the county fiscal
 27 body after receiving a recommendation from the county
 28 executive. The county fiscal body shall provide for the
 29 distribution of part or all of the money received under this
 30 clause to the following under a formula established by the
 31 county fiscal body:

32 (i) A town having a population of more than two thousand
 33 two hundred (2,200) but less than three thousand five
 34 hundred (3,500) located in a county having a population of
 35 more than nineteen thousand three hundred (19,300) but less
 36 than twenty thousand (20,000).

37 (ii) A town having a population of more than three thousand
 38 five hundred (3,500) located in a county having a population
 39 of more than nineteen thousand three hundred (19,300) but
 40 less than twenty thousand (20,000).

41 (2) Sixteen percent (16%) of the admissions tax collected during
 42 the quarter shall be paid in equal amounts to each town that:

43 (A) is located in the county in which the riverboat docks; and

44 (B) contains a historic hotel.

45 The town council shall appropriate a part of the money received
 46 by the town under this subdivision to the budget of the town's
 47 tourism commission.

(3) Nine percent (9%) of the admissions tax collected during the quarter shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(5) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the Indiana economic development corporation to be used by the corporation for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

(A) Job creation and retention.

(B) Infrastructure, including water, wastewater, and storm water infrastructure needs.

(C) Housing.

(D) Workforce training.

(E) Health care.

(F) Local planning.

(G) Land use.

(H) Assistance to regional economic development groups.

(I) Other regional development issues as determined by the Indiana economic development corporation.

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents (\$0.09) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has

implemented flexible scheduling under IC 4-33-6-21;
shall be paid to the county convention and visitors bureau or
promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), one cent (\$0.01) of the
admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has
implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the northwest Indiana law enforcement training
center.

(5) Except as provided in subsection (k), fifteen cents (\$0.15) of
the admissions tax collected by the licensed owner for each
person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has
implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission for use in any activity
that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents (\$0.10) of the
admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has
implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The
division shall allocate at least twenty-five percent (25%) of the
funds derived from the admissions tax to the prevention and
treatment of compulsive gambling.

(7) Except as provided in ~~subsection~~ **subsections (k) and (l)**,
sixty-five cents (\$0.65) of the admissions tax collected by the
licensed owner for each person embarking on a gambling
excursion during the quarter or admitted to a riverboat during the
quarter that has implemented flexible scheduling under
IC 4-33-6-21 shall be paid to the Indiana horse racing commission
to be distributed as follows, in amounts determined by the Indiana
horse racing commission, for the promotion and operation of
horse racing in Indiana:

(A) To one (1) or more breed development funds established
by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse
racing commission under IC 4-31. The commission may make
a grant under this clause only for purses, promotions, and
routine operations of the racetrack. No grants shall be made for
long term capital investment or construction, and no grants
shall be made before the racetrack becomes operational and is
offering a racing schedule.

(e) Money paid to a unit of local government under subsection (b)(1)
through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5) and (d)(6):

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

(1) Each entity receiving money under subsection (b).

(2) Each entity receiving money under subsection (d)(1) through (d)(2).

(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the

total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(g).

(k) This subsection does not apply to an entity receiving money under subsection (c). For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

- (1) exceed a particular entity's base year revenue; and
 - (2) would otherwise be due to the entity under this section;
- to the property tax replacement fund instead of to the entity.

(l) The maximum amount paid to the Indiana horse racing commission under this section in a state fiscal year ending before July 1, 2007, may not exceed the remainder of:

- (1) the Indiana horse racing commission's base year revenue as determined under subsection (h); minus**
- (2) the amount of slot machine taxes, if any, paid to the Indiana horse racing commission under IC 4-35-8-3 in the state fiscal year.**

For a state fiscal year ending before July 1, 2007, the treasurer of state shall pay the amount of the admissions taxes equal to the amount of slot machine taxes, if any, subtracted from the Indiana horse racing commission's base year revenue under this subsection to the property tax replacement fund instead of to the Indiana horse racing commission. For a state fiscal year beginning after June 30, 2007, the Indiana horse racing commission is not entitled to a distribution of admissions taxes collected under this chapter. After June 30, 2007, the treasurer of state shall pay the admissions taxes specified in subsections (b)(6) and (d)(7) to the property tax replacement fund instead of to the Indiana horse racing commission.

SECTION 16. IC 4-33-18-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) Nothing in this chapter may be construed to limit the powers or responsibilities of:

- (1) the ~~Indiana state~~ lottery commission under IC 4-30;
- (2) the Indiana horse racing commission under IC 4-31;
- (3) the department of state revenue under IC 4-32; or
- (4) the Indiana gaming commission under IC 4-33 **or IC 4-35.**

(b) The department may not exercise any administrative or regulatory powers with respect to:

- (1) the Indiana lottery under IC 4-30;
- (2) pari-mutuel horse racing under IC 4-31;
- (3) charity gaming under IC 4-32; ~~or~~
- (4) riverboat casino gambling under IC 4-33; **or**
- (5) gambling games conducted at a racetrack (as defined by IC 4-35-2-8) under IC 4-35.**

SECTION 17. IC 4-35 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

ARTICLE 35. GAMBLING GAMES AT RACETRACKS

Chapter 1. Application

Sec. 1. This article applies only to gambling games conducted by a permit holder holding a gambling games license issued under IC 4-35-5.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Adjusted gross receipts" means:

- (1) the total of all cash and property (including checks received by a permit holder, whether collected or not) received by a permit holder from gambling games; minus
- (2) the total of:
 - (A) all cash paid out to patrons as winnings for gambling games; and
 - (B) uncollectible gambling game receivables, not to exceed the lesser of:
 - (i) a reasonable provision for uncollectible patron checks received from gambling games; or
 - (ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out to patrons as winnings for gambling games.

For purposes of this section, a counter or personal check that is invalid or unenforceable under this article is considered cash received by the permit holder from gambling games.

Sec. 3. "Capital improvement board" refers to the capital improvement board of managers created under IC 36-10-9.

Sec. 4. "Commission" refers to the Indiana gaming commission established by IC 4-33-3-1.

Sec. 5. "Department" refers to the department of state revenue.

Sec. 6. "Gambling game" means a slot machine.

1 **Sec. 7. "Permit holder"** means a person holding a permit issued
2 under IC 4-31-5 to conduct a pari-mutuel horse racing meeting.

3 **Sec. 8. "Racetrack"** means the racetrack specified in a permit
4 holder's permit to conduct a pari-mutuel horse racing meeting.

5 **Sec. 9. "Slot machine"** means a type of electronic gaming device
6 approved by the commission as a wagering device for use under
7 this article.

8 **Sec. 10. "Supplier's license"** means a license issued under
9 IC 4-35-6.

10 **Chapter 3. General Provisions**

11 **Sec. 1.** All shipments of slot machines to permit holders in
12 Indiana, the registering, recording, and labeling of which have been
13 completed by the manufacturer or dealer in accordance with 15
14 U.S.C. 1171 through 15 U.S.C. 1178, are legal shipments of
15 gambling devices into Indiana.

16 **Sec. 2.** Under 15 U.S.C. 1172, approved January 2, 1951, the
17 state of Indiana, acting by and through elected and qualified
18 members of the general assembly, declares that the state is exempt
19 from 15 U.S.C. 1172.

20 **Chapter 4. Powers and Duties of the Indiana Gaming** 21 **Commission**

22 **Sec. 1.** The commission shall regulate and administer gambling
23 games conducted by a permit holder licensed to conduct gambling
24 games under this article.

25 **Sec. 2.** The commission shall do the following:

26 (1) Adopt rules that the commission determines necessary to
27 protect or enhance the following:

28 (A) The credibility and integrity of gambling games
29 authorized by this article.

30 (B) The regulatory process provided in this article.

31 (2) Conduct all hearings concerning civil violations of this
32 article.

33 (3) Provide for the establishment and collection of license fees
34 imposed under this article.

35 (4) Deposit the license fees in the state racetrack gaming fund
36 established by IC 4-35-8-2.

37 (5) Levy and collect penalties for noncriminal violations of this
38 article.

39 (6) Deposit the penalties in the state racetrack gaming fund
40 established by IC 4-35-8-2.

41 (7) Adopt appropriate standards for the design, appearance,
42 aesthetics, and construction of slot machine facilities
43 authorized under this article.

44 **Sec. 3.** The commission shall adopt rules under IC 4-22-2 for the
45 following purposes:

46 (1) Administering this article.

(2) Establishing the conditions under which gambling games at racetracks may be conducted.

(3) Providing for the prevention of practices detrimental to the public interest.

(4) Establishing rules concerning inspection of gambling game facilities at racetracks and the review of the permits or licenses necessary to conduct gambling games under this article.

(5) Imposing penalties for noncriminal violations of this article.

Sec. 4. The commission may enter into a contract with the Indiana horse racing commission for the provision of services necessary to administer this article.

Chapter 5. Gambling Game License

Sec. 1. The commission may issue a license to a permit holder to conduct gambling games under this article at a racetrack. The number of licenses issued under this chapter may not exceed two (2).

Sec. 2. Before issuing a license to a permit holder under this chapter, the commission shall subject the permit holder to a background investigation similar to a background investigation required for an applicant for a riverboat owner's license under IC 4-33-6.

Sec. 3. In determining whether to issue a gambling games license to an applicant, the commission shall consider the following:

(1) The character, reputation, experience, and financial integrity of the following:

(A) The applicant.

(B) A person that:

(i) directly or indirectly controls the applicant; or

(ii) is directly or indirectly controlled by the applicant or by a person that directly or indirectly controls the applicant.

(2) The facilities or proposed facilities for the conduct of gambling games at a racetrack. The applicant must submit to the commission a proposed design of the slot machine facilities.

(3) The prospective total revenue to be collected by the state from the conduct of gambling games under this article.

(4) The good faith affirmative action plan of each applicant to recruit, train, and upgrade minorities in all employment classifications.

(5) The financial ability of the applicant to purchase and maintain adequate liability and casualty insurance.

(6) Whether the applicant has adequate capitalization to operate a slot machine facility for the duration of the license

1 period.

2 (7) The extent to which the applicant exceeds or meets other
3 standards adopted by the commission.

4 Sec. 4. (a) A permit holder must post a bond with the
5 commission at least sixty (60) days before the commencement of
6 regular slot machine operations under this article.

7 (b) The bond must be furnished in:

8 (1) cash or negotiable securities;

9 (2) a surety bond:

10 (A) with a surety company approved by the commission;

11 and

12 (B) guaranteed by a satisfactory guarantor; or

13 (3) an irrevocable letter of credit issued by a banking
14 institution of Indiana acceptable to the commission.

15 (c) If a bond is furnished in cash or negotiable securities, the
16 principal shall be placed without restriction at the disposal of the
17 commission, but income inures to the benefit of the permit holder.

18 (d) The bond:

19 (1) is subject to the approval of the commission;

20 (2) must be in an amount that the commission determines will
21 adequately reflect the amount that a local community will
22 expend for infrastructure and other facilities associated with
23 a slot machine operation; and

24 (3) must be payable to the commission as obligee for use in
25 payment of the permit holder's financial obligations to the
26 local community, the state, and other aggrieved parties, as
27 determined by the rules of the commission.

28 Any bond proceeds remaining after the payments shall be
29 deposited in the state general fund.

30 (e) If after a hearing (after at least five (5) days written notice)
31 the commission determines that the amount of a permit holder's
32 bond is insufficient, the permit holder shall, upon written demand
33 of the commission, file a new bond.

34 (f) The commission may require a permit holder to file a new
35 bond with a satisfactory surety in the same form and amount if:

36 (1) liability on the old bond is discharged or reduced by
37 judgment rendered, payment made, or otherwise; or

38 (2) in the opinion of the commission any surety on the old
39 bond becomes unsatisfactory.

40 (g) If a new bond obtained under subsection (e) or (f) is
41 unsatisfactory, the commission shall revoke the permit holder's
42 gambling games license. If the new bond is satisfactorily furnished,
43 the commission shall release in writing the surety on the old bond
44 from any liability accruing after the effective date of the new bond.

45 (h) A bond is released on the condition that the permit holder
46 remains at the site of the slot machine operation:

1 (1) for five (5) years; or
 2 (2) until the date the commission issues a license to another
 3 person to operate from the site for which the bond was posted;
 4 whichever occurs first.

5 (i) A permit holder who does not meet the requirements of
 6 subsection (h) forfeits a bond filed under this section. The proceeds
 7 of a bond that is in default under this subsection are paid to the
 8 commission and used in the same manner as specified in subsection
 9 (d).

10 (j) The total liability of the surety on a bond is limited to the
 11 amount specified in the bond, and the continuous nature of the
 12 bond may not be construed as allowing the liability of the surety
 13 under a bond to accumulate for each successive approval period
 14 during which the bond is in force.

15 (k) A bond filed under this section is released sixty (60) days
 16 after:

17 (1) the time specified under subsection (h); and

18 (2) a written request is submitted by the permit holder.

19 Sec. 5. An initial gambling game license expires five (5) years
 20 after the effective date of the license. Unless the gambling game
 21 license is terminated or revoked, the gambling game license may be
 22 renewed annually thereafter upon:

23 (1) the payment of a five thousand dollar (\$5,000) annual
 24 renewal fee; and

25 (2) a determination by the commission that the permit holder
 26 satisfies the conditions of this chapter.

27 Sec. 6. (a) A permit holder shall undergo a complete
 28 investigation every three (3) years to determine whether the permit
 29 holder remains in compliance with this article.

30 (b) Notwithstanding subsection (a), the commission may
 31 investigate a permit holder at any time the commission determines
 32 it is necessary to ensure that the permit holder remains in
 33 compliance with this article.

34 Sec. 7. A permit holder shall bear the cost of an investigation or
 35 a reinvestigation of the permit holder and any investigation
 36 resulting from a potential transfer of ownership.

37 Sec. 8. (a) A permit holder, or any other person, must apply for
 38 and receive the commission's approval before:

39 (1) a gambling games license is:

40 (A) transferred;

41 (B) sold; or

42 (C) purchased; or

43 (2) a voting trust agreement or other similar agreement is
 44 established with respect to the gambling games license.

45 (b) The commission shall adopt rules governing the procedure
 46 a permit holder or other person must follow to take an action

under subsection (a). The rules must specify that a person who obtains an ownership interest in a license must meet the criteria of this article and any rules adopted by the commission. A permit holder may transfer a gambling games license only in accordance with this article and rules adopted by the commission.

(c) A permit holder or any other person may not:

- (1) lease;
- (2) hypothecate; or
- (3) borrow or loan money against;

a gambling games license.

(d) A transfer fee is imposed on a person who purchases or otherwise acquires a controlling interest, as determined under the rules of the commission, in a gambling games license previously issued to another person. The fee is equal to two million dollars (\$2,000,000). The commission shall collect and deposit a fee imposed under this subsection in the state general fund.

Chapter 6. Slot Machine Suppliers

Sec. 1. The commission may issue a supplier's license under this chapter to a person if:

(1) the person has:

- (A) applied for the supplier's license;
- (B) paid a nonrefundable application fee set by the commission;
- (C) paid a five thousand dollar (\$5,000) annual supplier's license fee; and
- (D) submitted, on forms provided by the commission, two

(2) sets of:

- (i) the individual's fingerprints, if the applicant is an individual; or
- (ii) fingerprints for each officer and director of the applicant, if the applicant is not an individual; and

(2) the commission has determined that the applicant is eligible for a supplier's license.

Sec. 2. (a) A holder of a supplier's license issued under this chapter may sell, lease, and contract to sell or lease slot machines to a permit holder licensed under this article.

(b) Slot machines may not be distributed unless the slot machines conform to standards adopted by the commission.

Sec. 3. A person may not receive a supplier's license under this chapter if:

- (1) the person has been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;
- (2) the person has knowingly or intentionally submitted an application for a supplier's license under this chapter that contains false information;

- 1 (3) the person is a member of the commission;
- 2 (4) the person is an officer, a director, or a managerial
- 3 employee of a person described in subdivision (1) or (2);
- 4 (5) the person employs an individual who:
 - 5 (A) is described in subdivision (1), (2), or (3); and
 - 6 (B) participates in the management or operation of
 - 7 gambling operations authorized under this article;
- 8 (6) the person owns more than a ten percent (10%) ownership
- 9 interest in any other person holding a permit issued under
- 10 IC 4-31; or
- 11 (7) a license issued to the person:
 - 12 (A) under this article;
 - 13 (B) under IC 4-33-7; or
 - 14 (C) to supply gaming supplies in another jurisdiction;
 - 15 has been revoked.

16 **Sec. 4. A person may not furnish slot machines to a permit**
 17 **holder unless the person possesses a supplier's license.**

18 **Sec. 5. (a) A supplier shall furnish to the commission a list of all**
 19 **slot machines offered for sale or lease in connection with gambling**
 20 **games authorized under this article.**

21 **(b) A supplier shall keep books and records for the furnishing**
 22 **of slot machines to permit holders licensed under this article. The**
 23 **books and records must be separate from books and records of any**
 24 **other business operated by the supplier.**

25 **(c) A supplier shall file a quarterly return with the commission**
 26 **listing all sales and leases.**

27 **(d) A supplier shall permanently affix the supplier's name to all**
 28 **slot machines that the supplier provides to permit holders under**
 29 **this chapter.**

30 **Sec. 6. A supplier's slot machines that are used by a person in an**
 31 **unauthorized gambling operation shall be forfeited to the state.**

32 **Sec. 7. Slot machines that are provided by a supplier may be:**

- 33 (1) repaired on the premises of a permit holder's racetrack; or
- 34 (2) removed for repair from the racetrack to a facility owned
- 35 by the permit holder.

36 **Sec. 8. (a) Unless a supplier's license is suspended, expires, or is**
 37 **revoked, the supplier's license may be renewed annually upon:**

- 38 (1) the payment of a five thousand dollar (\$5,000) annual
- 39 renewal fee; and
- 40 (2) a determination by the commission that the holder of the
- 41 supplier's license is in compliance with this article.

42 **(b) The holder of a supplier's license shall undergo a complete**
 43 **investigation every three (3) years to determine whether the holder**
 44 **of the supplier's license is in compliance with this article.**

45 **(c) Notwithstanding subsection (b), the commission may**
 46 **investigate the holder of a supplier's license at any time the**

1 commission determines it is necessary to ensure that the holder of
2 the supplier's license is in compliance with this article.

3 (d) A person holding a supplier's license shall bear the cost of an
4 investigation or a reinvestigation of the person and any
5 investigation resulting from a potential transfer of ownership.

6 Chapter 7. Conduct of Gambling Games at Racetracks

7 Sec. 1. Gambling games authorized by this article may not be
8 conducted anywhere other than a slot machine facility located at a
9 racetrack.

10 Sec. 2. (a) A person less than twenty-one (21) years of age may
11 not wager on a slot machine.

12 (b) Except as provided in subsection (c), a person who is less
13 than twenty-one (21) years of age may not be present in the area of
14 a racetrack where gambling games are conducted.

15 (c) A person who is at least eighteen (18) years of age and who
16 is an employee of the racetrack may be present in the area of the
17 racetrack where gambling games are conducted. However, an
18 employee who is less than twenty-one (21) years of age may not
19 perform any function involving gambling by the patrons.

20 Sec. 3. Minimum and maximum wagers on gambling games
21 shall be determined by the permit holder who has been issued a
22 gambling game license under this article.

23 Sec. 4. The following may inspect a racetrack's slot machine
24 facilities at any time to determine if this article is being violated:

25 (1) Employees of the commission.

26 (2) Officers of the state police department.

27 Sec. 5. Employees of the commission have the right to be present
28 in the slot machine facilities of a permit holder.

29 Sec. 6. Slot machines may be purchased or leased only from
30 suppliers licensed under this article.

31 Sec. 7. A permit holder may not permit any form of wagering
32 except:

33 (1) slot machine wagering as permitted under this article; and

34 (2) pari-mutuel wagering as permitted under IC 4-31.

35 Sec. 8. Wagers may be received only from a person present in a
36 racetrack's slot machine facilities. A person present in a racetrack's
37 slot machine facilities may not place or attempt to place a wager on
38 behalf of another person who is not present in the racetrack's slot
39 machine facilities.

40 Sec. 9. Wagering may not be conducted with money or other
41 negotiable currency.

42 Sec. 10. (a) All tokens or electronic cards that are used to make
43 wagers must be purchased from a permit holder at a racetrack.

44 (b) The tokens or electronic cards may be purchased by means
45 of an agreement under which the permit holder extends credit to
46 the patron.

1 **Sec. 11. Tokens or electronic cards may be used while present at**
 2 **the racetrack only for the purpose of making wagers on slot**
 3 **machines authorized by this article.**

4 **Sec. 12. A permit holder licensed to conduct gambling games**
 5 **under this article may not install more than one thousand (1,000)**
 6 **slot machines on the premises of the permit holder's racetrack.**

7 **Chapter 8. Taxation of Slot Machine Wagering**

8 **Sec. 1. (a) A state wagering tax is imposed on the adjusted gross**
 9 **receipts received from wagering on slot machines authorized under**
 10 **this article at the rate of thirty-two percent (32%).**

11 **(b) A permit holder shall remit the tax imposed by this section**
 12 **to the department before the close of the business day following the**
 13 **day the wagers are made.**

14 **(c) The department may require payment under this section to**
 15 **be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).**

16 **(d) If the department requires taxes to be remitted under this**
 17 **chapter through electronic funds transfer, the department may**
 18 **allow the permit holder to file a monthly report to reconcile the**
 19 **amounts remitted to the department.**

20 **(e) The payment of the tax under this section must be on a form**
 21 **prescribed by the department.**

22 **Sec. 2. (a) The state racetrack gaming fund is established.**
 23 **Money in the fund does not revert to the state general fund at the**
 24 **end of a state fiscal year.**

25 **(b) The department shall deposit tax revenue collected under**
 26 **section 1 of this chapter in the state racetrack gaming fund.**

27 **(c) Money in the fund is appropriated for the purposes of this**
 28 **chapter.**

29 **Sec. 3. (a) This section applies to the first twenty-seven million**
 30 **two hundred five thousand two hundred eighty-four dollars**
 31 **(\$27,205,284) deposited in the state racetrack gaming fund under**
 32 **section 2 of this chapter in a state fiscal year ending before July 1,**
 33 **2007.**

34 **(b) Before the fifteenth day of each month, the treasurer of state**
 35 **shall distribute the tax revenue deposited in the state racetrack**
 36 **gaming fund in the preceding month to the Indiana horse racing**
 37 **commission to be distributed in amounts determined by the**
 38 **Indiana horse racing commission as follows:**

39 **(1) To one (1) or more breed development funds established**
 40 **by the Indiana horse racing commission under IC 4-31-11-10.**

41 **(2) To a racetrack that was approved by the Indiana horse**
 42 **racing commission under IC 4-31. The commission may make**
 43 **a grant under this clause only for purses, promotions, and**
 44 **routine operations of the racetrack. No grants shall be made**
 45 **for long term capital investment or construction, and no**
 46 **grants shall be made before the racetrack becomes**

operational and is offering a racing schedule.

Sec. 4. (a) This section applies to the tax revenue deposited in the state racetrack gaming fund that exceeds twenty-seven million two hundred five thousand two hundred eighty-four dollars (\$27,205,284) in a state fiscal year ending before July 1, 2007.

(b) Before the fifteenth day of each month, the treasurer of state shall transfer the remaining tax revenue to the state general fund.

Sec. 5. (a) This section applies to a state fiscal year beginning after June 30, 2007.

(b) Before the fifteenth day of each month, the treasurer of state shall transfer the tax revenue deposited in the state racetrack gaming fund under section 2 of this chapter in the preceding month to the state general fund.

Sec. 6. (a) A local wagering tax is imposed on the adjusted gross receipts received from wagering on slot machines authorized under this article at the rate of eight percent (8%).

(b) A permit holder shall remit the tax imposed by this section to the department before the close of the business day following the day the wagers are made.

(c) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

(d) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the permit holder to file a monthly report to reconcile the amounts remitted to the department.

(e) The department may allow taxes remitted under this section to be reported on the same form used for taxes paid under section 1 of this chapter.

Sec. 7. (a) The local racetrack gaming fund is established. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) The department shall deposit tax revenue collected under section 6 of this chapter in the local racetrack gaming fund.

(c) The treasurer of state shall establish a separate account within the fund for each county containing a racetrack. Each account consists of the local wagering taxes remitted by the county's racetrack under section 6 of this chapter and deposited into the fund under subsection (b).

(d) Money in the fund is appropriated for the purposes of this chapter.

Sec. 8. The treasurer of state shall distribute the taxes deposited in the local racetrack gaming fund as follows:

(1) The tax revenue remitted by a slot machine operation located at a racetrack that is located in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand

(145,000) shall be distributed under section 9 of this chapter.

(2) The tax revenue remitted by a slot machine operation located at a racetrack that is located in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000) shall be distributed under section 10 of this chapter.

Sec. 9. In the case of a racetrack described in section 8(1) of this chapter, the first two hundred thousand dollars (\$200,000) of tax revenue distributed under this section in the first calendar year that gambling games are conducted at the racetrack located in the county must be paid to the county treasurer for a one (1) time distribution to a shelter for victims of domestic violence located in the county. The first two hundred fifty thousand dollars (\$250,000) of tax revenue distributed under this section in the second calendar year that gambling games are conducted at the racetrack located in the county must be paid to a post secondary educational institution located in the county to support the institution's electrical engineering programs. The first two hundred thousand dollars (\$200,000) of tax revenue distributed in the third calendar year that gambling games are conducted at the racetrack located in the county must be paid to the Madison County Community Health Center. The remainder of the tax revenues distributed under this section each year shall be paid as follows:

(1) Thirty-two percent (32%) to the county's economic development council for distribution under section 11 of this chapter.

(2) Eighteen percent (18%) to a city having a population of more than fifty-nine thousand seven hundred (59,700) but less than sixty-five thousand (65,000).

(3) Twenty percent (20%) to the school corporations located in the county. The tax revenue distributed under this subdivision must be divided among the school corporations on a pro rata basis according to the ratio the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county.

(4) Fifteen percent (15%) to the incorporated cities and towns located in the county other than a city described in subdivision (2). The tax revenue distributed under this subdivision must be divided among the cities and towns on a pro rata basis according to the ratio that the population of each city or town bears to the total population of the county minus the population of a city described in subdivision (2).

(5) Fourteen and five-tenths percent (14.5%) to the capital projects fund of the county for distribution by the county legislative body.

(6) Five-tenths of one percent (0.5%) to the county fiscal body for distribution to mental health and addiction service providers located in the county.

Sec. 10. In the case of a racetrack that is described in section 8(2) of this chapter, the tax revenues remitted by the racetrack shall be paid as follows:

(1) Thirty-eight and five-tenths percent (38.5%) to the county.

(2) Thirty-eight and five-tenths percent (38.5%) to a city having a population of more than seventeen thousand nine hundred (17,900) but less than eighteen thousand one hundred (18,100).

(3) Twenty percent (20%) to the school corporations located in the county. The tax revenue distributed under this subdivision must be divided among the school corporations on a pro rata basis according to the ratio that the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county.

(4) Five-tenths of one percent (0.5%) to the county fiscal body for distribution to mental health and addiction service providers located in the county.

(5) Two and five-tenths percent (2.5%) to a town having a population of more than one thousand (1,000) that is located in the county.

Sec. 11. (a) This section applies only to a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000).

(b) The county economic development council is established to allocate slot machine taxes received under section 9 of this chapter within the county. Five hundred thousand dollars (\$500,000) of the taxes received each year must be allocated for operations, capital improvements, and other necessary expenditures of the certified technology park located in the largest city in the county. The council may allocate the remainder of the taxes received under section 9 of this chapter each year for the following purposes:

(1) Economic development projects within the county.

(2) Assisting the Madison County Community Health Center.

(3) Assisting nonprofit organizations located in the county.

If the council determines that the certified technology park located in the largest city in the county no longer needs the amount of money provided under this section, the council may reallocate the taxes for any purpose permitted by this section.

(c) The council consists of the following members:

(1) Two (2) elected officials, who must be members of different political parties, representing the county appointed by the county executive.

(2) Two (2) elected officials, who must be members of different political parties, representing the largest city in the county appointed by the mayor of the city.

(3) One (1) elected official from each city in the county other than the city described in subdivision (2) appointed by the mayor of the city.

(4) One (1) elected official from each town in the county appointed by the legislative body of the town.

(5) The executive dean of Ivy Tech Community College-Anderson or the executive dean's designee.

(6) The president of Anderson University or the president's designee.

(d) For purposes of this section, "economic development project" means any project that would be considered an economic development project under IC 6-3.5-7-13.1.

Sec. 12. (a) Before the fifteenth day of each month, a permit holder shall pay to the Indiana horse racing commission for the promotion of horse racing a fee of thirteen percent (13%) of the permit holder's adjusted gross receipts received from wagering on slot machines authorized by this article for the previous month.

(b) Subject to subdivision (1)(C), the Indiana horse racing commission shall distribute the money that is paid under subsection (a) as follows:

(1) Eighty-one percent (81%) for the following purposes:

(A) Forty-six percent (46%) for thoroughbred purposes as follows:

(i) Ninety-eight and five-tenths percent (98.5%) for thoroughbred purses.

(ii) One and two-tenths percent (1.2%) to the horsemen's association representing thoroughbred owners and trainers.

(iii) Three-tenths of one percent (0.3%) to the horsemen's association representing thoroughbred owners and breeders.

(B) Forty-six percent (46%) for standardbred purposes as follows:

(i) Ninety-eight and five-tenths percent (98.5%) for standardbred purses.

(ii) One and five-tenths percent (1.5%) to the horsemen's association representing standardbred owners and trainers.

(C) Eight percent (8%) for quarterhorse purposes as follows:

(i) Ninety-five percent (95%) for quarterhorse purses.

(ii) Five percent (5%) to the horsemen's association representing quarterhorse owners and trainers.

1 However, in the first year after the commencement of slot
 2 machine operations, the money distributed under this
 3 clause may not exceed the lesser of two million seven
 4 hundred thousand dollars (\$2,700,000) or eight percent
 5 (8%) of the money paid under this subdivision. If
 6 quarterhorse races average at least seven and five-tenths
 7 (7.5) horses per gate in the first year after the
 8 commencement of slot machine operations or in a
 9 subsequent year, the money distributed under this clause
 10 for quarterhorse purposes shall be increased by ten
 11 percent (10%) in the following year. However, the money
 12 distributed under this clause may not exceed eight percent
 13 (8%) of the total amount of money distributed under this
 14 subdivision. If the amount of money distributed under this
 15 clause is less than eight percent (8%) of the total amount of
 16 money distributed under this subdivision in a particular
 17 year, the amounts distributed under clauses (A) and (B) for
 18 that year shall be increased equally in proportional
 19 amounts.

20 (2) Nineteen percent (19%) to the breed development funds
 21 established under IC 4-31-11-10 in the same proportion that
 22 money is distributed for the purposes of each breed under
 23 subdivision (1).

24 Sec. 13. (a) As used in this section, "political subdivision" means
 25 a county, township, city, town, separate municipal corporation,
 26 special taxing district, or school corporation.

27 (b) Money paid to a political subdivision under this chapter:
 28 (1) must be paid to the fiscal officer of the political subdivision
 29 and must be deposited in the political subdivision's general
 30 fund;
 31 (2) may not be used to reduce the political subdivision's
 32 maximum levy under IC 6-1.1 but may be used at the
 33 discretion of the political subdivision to reduce the property
 34 tax levy of the political subdivision for a particular year;
 35 (3) may be used for any purpose specified in this chapter or
 36 for any other legal or corporate purpose of the political
 37 subdivision, including the pledge of money to bonds, leases, or
 38 other obligations under IC 5-1-14-4; and
 39 (4) is considered miscellaneous revenue.

40 Chapter 9. Penalties

41 Sec. 1. This chapter applies only to gambling games authorized
 42 under this article.

43 Sec. 2. A person who knowingly or intentionally aids, induces,
 44 or causes a person who is:

45 (1) less than twenty-one (21) years of age; and
 46 (2) not an employee of a racetrack licensed to conduct

1 gambling games under this article;
 2 to enter or attempt to enter the racetrack's slot machine operation
 3 commits a Class A misdemeanor.

4 **Sec. 3. A person who:**

5 (1) is not an employee of a racetrack licensed to conduct
 6 gambling games under this article;
 7 (2) is less than twenty-one (21) years of age; and
 8 (3) knowingly or intentionally enters the racetrack's slot
 9 machine operation;
 10 commits a Class A misdemeanor.

11 **Sec. 4. A person who knowingly or intentionally:**

12 (1) makes a false statement on an application submitted under
 13 this article;
 14 (2) conducts a gambling game in a manner other than the
 15 manner required under this article; or
 16 (3) wagers or accepts a wager at a location other than a
 17 racetrack's slot machine operation;
 18 commits a Class A misdemeanor.

19 **Sec. 5. A person who knowingly or intentionally does any of the**
 20 **following commits a Class D felony:**

- 21 (1) Offers, promises, or gives anything of value or benefit:
 22 (A) to a person who is connected with a permit holder,
 23 including an officer or an employee of a permit holder; and
 24 (B) under an agreement to influence or with the intent to
 25 influence:
 26 (i) the actions of the person to whom the offer, promise,
 27 or gift was made in order to affect or attempt to affect
 28 the outcome of a gambling game; or
 29 (ii) an official action of a commission member.
 30 (2) Solicits, accepts, or receives a promise of anything of value
 31 or benefit:
 32 (A) while the person is connected with a permit holder,
 33 including an officer or employee of a permit holder; and
 34 (B) under an agreement to influence or with the intent to
 35 influence:
 36 (i) the actions of the person to affect or attempt to affect
 37 the outcome of a gambling game; or
 38 (ii) an official action of a commission member.
 39 (3) Uses or possesses with the intent to use a device to assist in:
 40 (A) projecting the outcome of the game;
 41 (B) analyzing the probability of the occurrence of an event
 42 relating to the gambling game; or
 43 (C) analyzing the strategy for playing or betting to be used
 44 in the game, except as permitted by the commission.
 45 (4) Cheats at a gambling game.
 46 (5) Manufactures, sells, or distributes any game or device that

is intended to be used to violate this article.

(6) Alters or misrepresents the outcome of a gambling game on which wagers have been made after the outcome is made sure but before the outcome is revealed to the players.

(7) Places a bet on the outcome of a gambling game after acquiring knowledge that:

(A) is not available to all players; and

(B) concerns the outcome of the gambling game that is the subject of the bet.

(8) Aids a person in acquiring the knowledge described in subdivision (7) for the purpose of placing a bet contingent on the outcome of a gambling game.

(9) Claims, collects, takes, or attempts to claim, collect, or take money or anything of value in or from a gambling game:

(A) with the intent to defraud; or

(B) without having made a wager contingent on winning a gambling game.

(10) Claims, collects, or takes an amount of money or a thing of value of greater value than the amount won in a gambling game.

(11) Uses or possesses counterfeit tokens in or for use in a gambling game.

(12) Possesses a key or device designed for:

(A) opening, entering, or affecting the operation of a gambling game, drop box, or an electronic or a mechanical device connected with the gambling game; or

(B) removing coins, tokens, or other contents of a gambling game.

This subdivision does not apply to a permit holder or an employee of a permit holder acting in the course of the employee's employment.

(13) Possesses materials used to manufacture a slug or device intended to be used in a manner that violates this article.

Chapter 10. Employment

Sec. 1. (a) This section applies if a permit holder's employees are covered under the terms of a collective bargaining agreement that is in effect at the time a gambling games license is issued authorizing a person to conduct gambling games under this article at the permit holder's racetrack.

(b) If a permit holder has nonsupervisory employees whose work is:

(1) directly related to:

(A) pari-mutuel terminal operations; or

(B) money room functions associated with pari-mutuel wagering on horse racing; and

(2) covered under the terms of a collective bargaining

1 **agreement;**
 2 **the permit holder shall, subject to subsection (c), staff**
 3 **nonsupervisory positions directly related to the operation of**
 4 **gambling games under this article with employees whose work is**
 5 **covered under the terms of a collective bargaining agreement.**

6 **(c) The employees described in subsection (b) must be qualified**
 7 **to meet the licensing requirements of this article and any criteria**
 8 **required by the Indiana gaming commission in rules adopted under**
 9 **IC 4-22-2.**

10 **Sec. 2. The job classifications, job duties, wage rates, and**
 11 **benefits of nonsupervisory positions related to gambling games**
 12 **may be established by agreement of the parties to a collective**
 13 **bargaining agreement or, in the absence of an agreement, by the**
 14 **permit holder.**

15 SECTION 18. IC 6-8.1-1-1 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. "Listed taxes" or
 17 "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through
 18 IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat
 19 wagering tax (IC 4-33-13); **the taxes imposed on slot machine**
 20 **wagering at racetracks (IC 4-35-8);** the gross income tax (IC 6-2.1)
 21 (repealed); the utility receipts tax (IC 6-2.3); the state gross retail and
 22 use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the
 23 supplemental net income tax (IC 6-3-8) (repealed); the county adjusted
 24 gross income tax (IC 6-3.5-1.1); the county option income tax (IC
 25 6-3.5-6); the county economic development income tax (IC 6-3.5-7);
 26 the municipal option income tax (IC 6-3.5-8); the auto rental excise tax
 27 (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC
 28 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax
 29 (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax
 30 collected under a reciprocal agreement under IC 6-8.1-3; the motor
 31 vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC
 32 6-6-5.5); the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax
 33 (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC
 34 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC
 35 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax
 36 (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various county
 37 food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13
 38 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and
 39 hazardous chemical inventory form fee (IC 6-6-10); the penalties
 40 assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and
 41 penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the
 42 underground storage tank fee (IC 13-23); the solid waste management
 43 fee (IC 13-20-22); and any other tax or fee that the department is
 44 required to collect or administer.

45 SECTION 19. IC 35-45-5-7 IS AMENDED TO READ AS
 46 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. This chapter does
 47 not apply to the publication or broadcast of an advertisement, a list of

prizes, or other information concerning:

(1) pari-mutuel wagering on horse races or a lottery authorized by the law of any state; ~~or~~

(2) a game of chance operated in accordance with IC 4-32; **or**

(3) a gambling game operated in accordance with IC 4-35.

SECTION 20. IC 35-45-5-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 11. This chapter does not apply to a gambling game conducted authorized by IC 4-35."**

Page 3, between lines 35 and 36, begin a new paragraph and insert the following:

"SECTION 22. [EFFECTIVE JULY 1, 2005] (a) **The definitions set forth in IC 4-35-2, as added by this act, apply throughout this SECTION.**

(b) If the Indiana gaming commission determines that a permit holder has met the requirements of this act, the Indiana gaming commission shall adopt a resolution authorizing the permit holder to conduct gambling games under IC 4-35, as added by this act. The Indiana gaming commission may exercise any power necessary to implement this act under a resolution authorized under this SECTION.

(c) The Indiana gaming commission shall authorize a permit holder to conduct gambling games in a temporary facility upon the Indiana gaming commission's approval of the permit holder's plans for a permanent facility. Gambling games may be conducted in a temporary facility under this SECTION for not more than eighteen (18) months.

(d) This SECTION expires January 1, 2008."

Renumber all SECTIONS consecutively.

(Reference is to HB 1138 as printed February 25, 2005.)

Representative Reske